

SENATE BILL No. 406

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-29-1-2.5.

Synopsis: Hazard insurance coverage. Prohibits a lender from requiring a borrower to obtain hazard insurance in an amount exceeding the replacement value of the improvements on mortgaged property as a condition of receiving or maintaining the mortgage.

Effective: July 1, 2004.

Paul

January 12, 2004, read first time and referred to Committee on Insurance and Financial Institutions.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 406

A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 32-29-1-2.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2004]: **Sec. 2.5. A mortgagee or a mortgagee's assignee or**
4 **representative may not require a mortgagor, as a condition of**
5 **receiving or maintaining a mortgage, to obtain hazard insurance**
6 **coverage against risks to improvements on the mortgaged property**
7 **in an amount exceeding the replacement value of the**
8 **improvements.**

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